

EUCALYPTUS GROVE HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS EMERGENCY MEETING MINUTES
WEDNESDAY, NOVEMBER 13TH, 2024 (12:00PM) via Zoom

1. CALL BOARD MEETING TO ORDER – CONFIRMATION OF QUORUM

Meeting was called to order at: 12:00pm

Board Members present

Craig Nicholson - President
Joe Mora - Vice President
Christine Hall - Treasurer
Colin Smith - Member-at-Large
Tamara Simmons - Secretary

Managers & Employees present:

James Nguyen, Bartlein
Julia Ambat (arrived at 12:16pm; left
at 12:52pm)

Homeowners present:

None

2. NEW (EMERGENCY) BUSINESS)

a. Choosing insurance policies for renewal

Craig expressed regret over the unintended termination of Cline Insurance's services and committed to resolving the issue. Craig had signed the BOR letter provided by Farmers.

The board reviewed multiple policies, focusing on coverage adequacy and exclusions. Farmers Insurance provided quotes with two different deductible amounts. Riley, a Farmers Representative, jumped on the Zoom and clarified the following: The \$66 million coverage option has no exclusions. An additional 50% coverage is available beyond the \$44 million policy if required, also without exclusions. Excluding TRIA (Terrorism Risk Insurance Act) would not impact policy discounts. Lack of sprinkler systems in the buildings does not affect the coverage.

James questioned why \$44 million was chosen over \$50 million. Riley explained that \$44 million was determined by the inspector's assessment of replacement costs, which includes an automatic 8% increase. Premiums are expected to rise 25-50% in the next two years due to recent claims, with rate stabilizing after three years.

Deadlines: Decision required by end of day. Check payment to Farmers due the following day (11/14/24). Should the association choose to cancel in the coming days, the only cost would be start up fees.

Chris moved a motion opting for the higher deductible to limit claims. This received no second. The motion failed.

Craig moved a motion to accept Farmers Property and Fire insurance policies. The terms are: \$50,000 deductible, reduced \$1 million dishonesty coverage, and excluding TRIA. This was seconded by Tamara. The votes were as follows: Craig, Joe, Chris, and Tamara voted in favor; Colin voted against. The motion passes.

Craig moved a motion to accept the excess umbrella insurance with Cline, seconded by Tamara. The motion passed unanimously.

Chris moved a motion to accept the workman's compensation policy with Farmers, seconded by Joe. The votes were as follows: Chris, Craig, Joe, and Colin voted in favor; Tamara voted against. The motion passes.

Craig moved a motion to accept the earthquake insurance policy through Cline with an added addendum to move to Farmers if Cline cannot provide coverage immediately due to the BOR letter issue. This was seconded by Tamara. The votes were as follows: Craig abstained; Colin and Tamara against; Joe and Chris voted in favor. An additional motion to accept the earthquake coverage with Cline was passed. This was unanimously approved with Colin absent.



Craig will send the BOR Letter and November 7th earthquake quote to Cline for binding.

- b. Estimating cost of insurance; draft 2025 budget for Thursday's meeting
The board discussed the fire insurance budget for next year, considering 2024 property damage and COL increase. The current proposed budget is \$250k.

Joe moved a motion to approve monthly installment payments for property and fire insurance to Farmers, seconded by Joe. This passed unanimously with Colin absent.

Earthquake insurance requires one lump-sum payment, necessitating a transfer in reserves. Craig moved a motion to transfer \$95k from the money market account, seconded by Joe. This passed unanimously with Colin absent.

Craig moved a motion to authorize James to transfer funds from the Money Market account as needed to cover initial premiums with Farms and Cline, seconded by Joe. This passed unanimously with Colin absent.

6. ADJOURNMENT at 1:27pm (Scheduled meeting 11/14/24 @ 6PM IN PERSON & via Zoom)

